

BUSINESS STATISTICS - 15th July, 1941.

Business conditions remain buoyant. The Stock Exchange is firm, bank clearings surpass previous records and low interest rates prevail. Heavy rail, tram and bus traffic reflect the growing industrial war effort. Oversea trade has decreased and more import restrictions have been imposed. Wool income was again very high in 1940-41. Arrangements to deal with food-stuffs that cannot be shipped will avert major dislocations in other rural industries. Except for active building of houses and flats building tends to decrease. Russia's resistance, increasing American aid and the success in Syria render the war outlook more favourable.

C O N T E N T S.

Part

I

Season: June rainfall satisfactory in wheat districts.
Heavy maize harvest likely.

Export Prices and
External Conditions:

Export prices steady. Conditions in U.K. - War expenditure, production, organisation. Firm stock exchanges. Conditions in U.S.A. - Exports to U.K., production. Anglo-Russian agreement. U.S. to trade with French North Africa. U.S. forces in Iceland.

Currency
Relations:

Sterling steady in New York.
Argentina abolishes Exchange Control Office.

Wool:

Season 1940-41 appraisements, average prices, payments to growers. Appraisalment conditions for 1941-42. Prices to Australian manufacturers. Estimate of 1941-42 Australian clip.

Wheat:

Crop conditions satisfactory in N.S.W. Spring wheat in U.S.A. Prices high in Chicago; steady in Winnipeg and London. Local prices unchanged.

Butter:

Supply of butter and cheese to U.K., 1941-42. Production in N.S.W. Factories - May and July-May, 1940-41. Intra-state quota - July, 1941. Pay for cream supplied to North Coast factories - June, 1941.

Metals

Tin and silver slightly cheaper in London.
Aust. export parity prices of metals - May, 1941.

II

Bank Clearings, Sydney: June and year ended June, 1941.

Stock Exchange, Sydney: June, 1941.

Real Estate, N.S.W.: Sales and mortgages. June and Jan.-June, 1941.

Interest Rates - Mortgages: June Quarter, 1941.

Bonds : June-July, 1941.

Oversea Trade, Australia: June and year ended June, 1941.

III

Buildings Commenced Value and

Metrop. Water Bd. Area: No. of Houses - June and Jan.-June, 1941.

Railways, N.S.W.: Passengers, freight and finance - May and July-May, 1940-41.

Trams and Buses: Passengers and finance - May and July-May, 1940-41.
(Sydney and Newcastle)

BUSINESS STATISTICS - 15th July, 1941.

Part I PRIMARY AND EXPORT INDUSTRIES.

SEASON. There was heavy rain on parts of the coastal belt and near inland districts at the end of last week. The dry spell on the South Coast has not been broken and insufficient rain has fallen in recent months in western and south-western areas. June rains were a little above average in northern and central sheep and wheat districts but below average elsewhere. Index numbers compare with those of a year earlier (in parenthesis) as under:-

<u>1941 (1940)</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May.</u>	<u>June.</u>
	Weighted Av. Ratio (%) of Actual to Normal Rainfall.					
Sheep Districts	319(30)	78(18)	152(46)	16(204)	58(33)	95(17)
Wheat "	336(24)	87(18)	148(21)	11(227)	61(36)	87(17)
Dairying " (Coast)	144(58)	102(47)	87(104)	88(88)	63(39)	68(58)

It is now expected that the maize harvest will be nearly 5 million bushels, compared with 2.83 m. bus. last season and an average of 3.15 m. bus. in the five seasons ended 1940.

EXPORT PRICES AND
EXTERNAL TRADE
CONDITIONS.

The significance of export prices (steady at about 20 per cent. above the pre-war level) is modified by inability to ship much exportable produce. The arrangements made to meet this difficulty are indicated at page 7.

Asking for a supplementary credit of £stg.1,000 m. the Chancellor of the Exchequer revealed that Britain is spending about £stg.10.25 m. a day on the war exclusive of supplies received under the U.S. Lend-Lease Act. Production of tanks and guns was 100 per cent. greater in June Qr., 1941 than in Dec.Qr., 1940. Organisation of industry continues. An advisory committee (employers and employees) on production matters has been appointed; a concentration of industry is proceeding (in cotton 117 factories have been closed, another 81 are to close, and 277 will remain in operation) and for better management of transport a National Port Director has been appointed. Sir Kingsley Wood has reaffirmed his "intention relentlessly to fight against inflation" and it is believed that further measures to stabilise prices and wages may be taken.

London and New York Stock Exchanges have been active and industrial share prices have advanced, in the case of London to the highest level since Germany's invasion of the Low Countries in May, 1940. Russia's resistance, R.A.F. successes, the Syrian armistice, and U.S. occupation of Iceland are factors.

The United States will possibly make loans to the U.K. against British dollar assets in U.S.A. In April U.S. exports to Britain (\$128 m.) were highest of any month for 20 years. U.S. consumption of rubber is at a record level. Maximum prices have been fixed for pig iron. 'Plane deliveries increased to 1476 in June. Ship-building exceeds expectations.

If Russia resists successfully the Anglo-Russian Agreement "to render each other assistance and support of all kinds" may have economic implications tending to benefit Australia. With Britain consenting, the U.S.A. has concluded trade arrangements with French North Africa.

INTERNATIONAL
CURRENCY
RELATIONSHIPS.

In the free market the rate of exchange New York on London has been firm at \$4.035 to £stg. i.e., at full parity with the official rate in London.

The Argentine Government announced that with abolition of the Exchange Control Office from July 1, 1941, the system of requiring exchange permits for imported goods would cease. Imports from blocked exchange countries would be admitted without any limitation. The only restrictions remaining on imports would be quota provisions covering about 11 per cent. of 1940 import quantities and a complete ban on goods equal to only 4 per cent. of 1940 imports. This action has been taken, it is understood partly because of a serious shortage of imported goods.

The French Government has taken action freeze all Russian assets in France.

PART I (Continued)

WOOL. Particulars of operations carried out by the Central Wool Committee in Australia show that 3,506,210 bales of wool were appraised in 1940-41 compared with 3,621,095 bales in 1939-40. The appraised average price was 12.085d. a lb. (greasy) and the total value of the clip was £60,959,828 (compared with £64,723,084 in 1939-40) made up of £55,251,133 at appraised value (including £2,594,861 retention money) and £5,708,695 (11%) equalisation dividend. The value of the clip was greater than that of any season other than 1939-40. Retention money and equalisation dividend are to be paid on July 29, 1941.

The average appraised price per lb. greasy in this and other States in each of these seasons was:-

	<u>N.S.W.</u>	<u>Vic.</u>	<u>Q'land.</u>	<u>S.Aust.</u>	<u>W.Aust.</u>	<u>Tas.</u>	<u>Australia.</u>
	Pence per lb. (greasy)						
1939-40	12.45	13.21	12.15	11.00	11.79	14.46	12.403
1940-41	11.84	13.11	11.78	10.91	11.95	14.70	12.085

Wool appraised in Sydney was 1,265,431 bales - 130,270 bales less than the record in 1939-40.

Arrangements for the 1941-42 season will be similar to those of the past season; 5 per cent. of appraised value of fleece wool will be retained until the end of the season and skin wools will be paid for at full value on appraisalment and will not participate in final equalisation payments.

Taking into account the fact that in 1939-40 and 1940-41 wool purchased by local manufacturers was obtained at prices below the U.K. flat rate purchase parity, the charges for wool to local manufactures in 1941-42 will be increased to appraised value plus 15 per cent. plus delivery charges. (In 1940-41 the addition to appraised value was $7\frac{1}{2}$ per cent.)

Australian wool production in 1941-42 is expected to be about 3,590,000 bales, or 84,000 bales greater than the 1940-41 clip. First appraisements of 1941-42 wool in Sydney are to open on August 11, 1941.

WHEAT. Most wheat crops in New South Wales have germinated satisfactorily and conditions are favourable over the greater part of the wheat belt, but more rain is needed in western and south-western Riverina. Farmers are required to deliver 1940-41 wheat to the Australian Wheat Board by August 9.

The United States spring wheat harvest is forecasted at 232 m. bus. compared with 228 m. bus. in 1940. Extension of the war to Russia is expected to cause reduction of wheat harvests on the Continent where production prospects were already considered below average owing in part to unfavourable periods during the growing period.

Wheat prices in Chicago continued to fluctuate about the recent higher level and after easing early in the month quotations in Winnipeg firmed again last week. Prices on the London Baltic Exchange remained steady. In Canada winter wheat prices for new crop wheat have been fixed on 70 cents a bus. basis at Montreal - the same as in 1940.

The local market has been quiet, with intermittent demand for wheat for export flour. The price of wheat for export flour delivered to Hong Kong has been raised from 4s.9d. to 5s.9 $\frac{1}{4}$ d. a bus. mainly because of difficulty in obtaining shipping space for Hong Kong orders. Local prices are unchanged. For bulk wheat for flour for local consumption the price is 3s.11 $\frac{1}{4}$ d. a bus., ex trucks, Sydney. Flour in local trade is steady at £12.13s. a ton (including tax).

/PRICES.....

PART I (Continued)

PRICES OF WHEAT IN NEW SOUTH WALES.

Shippers offers to 1938-39. Prices for wheat for local flour from Dec., 1939.

<u>Bulk Wheat.</u>	Seasons ended November.				June		July 14, 1941.
	Av.1931-35	1937.	1939.	1940.	1940.	1941.	
	Shillings and pence per bushel.						
	Ex trucks, Sydney.	2 9½	5 3	2 5	3 10½	4 0	3 11¼
Equiv.ex farm at country siding (a)	2 2½	4 8	1 9½	2 11	2 11	2 9½ ø	2 9½ ø

(a) Exclusive of bounty. ø Net equivalent of advances made to date.

BUTTER. The Minister for Commerce has stated that Britain may take in 1941-42 about 60 per cent. of the amount of butter taken in 1940-41. The prices are expected to be the same as in previous seasons, i.e., choicest 137s.2 $\frac{1}{4}$ d. and first grade 135s.7 $\frac{1}{2}$ d. (Australian) per cwt. Britain will buy 40,000 tons of cheese (double last year's quantity) at prices appreciably above those of last season (choicest 76s.6 $\frac{3}{4}$ d. first grade 74s.0 $\frac{3}{4}$ d. (Aust.) per cwt.) The Commonwealth Government, through the Commonwealth Bank, will guarantee loans to factories for expenditure involved in changing over from butter to cheese manufacture. It will also acquire second grade and pastry butter (which U.K. will not accept this season) from manufacturers at prices lower than those received for such butter exported last year. South Coast dairying districts are very dry. Production of butter in New South Wales has fallen to a very low level, but the quota fixed for intra-state sales in July, 1941 suggests that supplies in Australia are greater than at this time in most recent years:-

	1935.	1936.	1937.	1938.	1939.	1940.	1941.
Proportion of butter made permitted to be sold within State.							
July.	85%	87 $\frac{1}{2}$ %	87%	87 $\frac{1}{2}$ %	61%	73%	64%

In the eleven months ended May, 1941 the production of butter in N.S.W. factories (98.5 m.lb.) was less for the period than in any season since 1929-30, 8 per cent. less than in 1939-40 and about 18 per cent. below the average in July-May, of the peak years 1931-32 to 1935-36.

PRODUCTION OF BUTTER IN NEW SOUTH WALES FACTORIES.

	Av. 1932-36.	1937.	1938.	1939.	1940.	1941.
May, (mill.lb.)	8.49	7.41	6.69	10.46	7.29	6.76
July-May "	122.70	99.15	110.66	106.10	106.96	98.50

Suppliers of cream to certain North Coast factories in June, 1941 are being paid at the rate of 13 $\frac{1}{4}$ d. per lb. of butter made (the same as in June, 1940). Returns to farmers were probably lower in 1940-41 than in any of the preceding three years consequent upon the fall in production. Price comparisons are:-

PAY TO SUPPLIERS OF CREAM TO CERTAIN NORTH COAST FACTORIES, N.S.W.

	Jan.	Feb.	Mar.	Apr.	May.	June.	Deferred Pay Jan.-June, ø
Pence per lb. of butter made.							
1933-34 x	6 $\frac{1}{2}$	6 $\frac{3}{4}$	7	8	9 $\frac{1}{4}$	9 $\frac{1}{4}$	1 $\frac{1}{8}$
1936-37 x	10	10	11	11 $\frac{1}{2}$	12 $\frac{1}{4}$	12 $\frac{1}{2}$	1
1938-39	12 $\frac{1}{4}$	12 $\frac{1}{2}$	12 $\frac{1}{2}$	12 $\frac{1}{4}$	12	12 $\frac{1}{2}$	1 $\frac{5}{8}$
1939-40	12 $\frac{1}{2}$	12 $\frac{5}{8}$	12 $\frac{5}{8}$	12 $\frac{3}{4}$	13	13 $\frac{1}{4}$	1.06
1940-41	12 $\frac{1}{2}$	12 $\frac{3}{8}$	12 $\frac{3}{4}$	12 $\frac{7}{8}$	13	13 $\frac{1}{4}$	To be fixed.

ø This amount is additional to that shown for each relevant month.

x Cartage charges (about $\frac{3}{8}$ d. a lb. now paid by factories) met by farmers.

The local wholesale price of butter has been 158s.8d. per cwt. since June 8, 1938.

/METALS.....

PART I - (Continued)

METALS. In London maximum prices of electrolytic copper (£62), lead (£25), Spelter (£25.15s.) - sterling, per ton as fixed by the British Ministry of Supply were maintained. The open market prices of tin and silver have fluctuated somewhat below the average in June and on July 11 quotations were tin £258.17s.6d. a ton and silver 1s.11 $\frac{1}{4}$ d. per ounce. Averages in June and July were £267.14s. and £262.17.6d. a ton and 1s.11.46d. and 1s.11.4d. respectively.

World visible supplies of tin in June, 1941 were reported as 33,545 tons - lowest since November last and deliveries in June 1941 were 17,044 tons (next to March, 1941, highest of any recent year) compared with 11,871 tons in June, 1940 and 8,669 tons in June, 1939.

Prices received for metals exported from Australia show some variations from month to month but as the following table indicates are considerably above the pre-war level:-

AVERAGE PRICES OF METALS (EXPORT PARITIES, f.o.b.) AUSTRALIA.

	Silver (Standard) oz.	Lead ton	Spelter. ton	Tin (Standard) ton	Gold (Fine) oz.
	s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Average, 1937	2 1.0	27 9 7	29 1 6	292 16 5	8 15 1
1938	2 0.1	17 12 11	19 12 10	228 11 10	8 17 1
1939	2 1.4	17 12 1	19 15 3	268 3 6	9 14 4
July, 1939	1 9.1	16 19 1	19 14 6	273 3 3	9 4 11
April, 1941	2 3.9	19 4 0	23 9 0	302 10 2	10 14 0
May, "	2 4.0	18 18 6	24 0 2	300 5 7	10 14 0
June, "	2 3.9	19 3 11	22 0 5	300 1 8	10 14 0

The Commonwealth Government has decided to make ingot aluminium in Australia using Australian bauxite as far as possible. Details have not been published but it is understood that about £A1.5 million will be expended on plant and equipment.

PART II FINANCE AND TRADE.

BANK CLEARINGS. The index number of inter-bank clearings in June Qr., 1941 was 123 compared with 115 in June Qr., 1940. This is, by far, the highest level ever reached and is 18 per cent. above the index number for June Qr., 1929 (the pre-depression peak). The index is adjusted for effects of Government loan operations.

The amount of clearings in the half year ended June, 1941 (£552.2 million) was 21 per cent. greater than in Jan.-June, 1939 (pre-war) and this large increase is probably due primarily to war expenditure and loan, etc. operations and the acceleration of industry and expansion of employment which have resulted therefrom. Higher prices and increased wage earnings (partly due to higher rates of wages) have also a part, as yet there has been no significant decrease in domestic trade as a whole, although in some directions it has been depressed by import restrictions and rationing (e.g. petrol)

The increase in bank clearings in recent months may exaggerate the increase in business turnover; the Commonwealth is now a heavy buyer and its disbursements probably lead to clearings considerably in excess of those which would result from a similar volume of private business.

INTER-BANK CLEARINGS - SYDNEY.

	<u>Amount. (a)</u>		<u>Index Number. (b)</u>
	<u>June.</u>	<u>Jan.-June.</u>	<u>June Quarter.</u>
	£m.	£m.	1926-30 = 100.
1929	84.8	528.3	104
1938	86.8	471.1	106
1939	80.3	455.5	101
1940	94.5	528.4	115
1941	97.4	552.2	123

(a) Excluding Treasury bill transactions.

(b) The index is adjusted to eliminate the effects of bank amalgamations and special governmental transactions but not of changes in the price level.

STOCK EXCHANGE. During the past three months prices of ordinary company shares in Sydney have fluctuated narrowly and have shown little net change and only in the last few days has there been some response to the strengthening of markets in London and New York. Dealings on the Sydney Exchange have been light; investors appear content to hold securities and there have been no local developments tending to stimulate the demand for shares in private enterprises.

The index number of average value of ordinary company shares in June, 1941 was 166 compared with 151 in June, 1940 and the highest war-time level of 182 in Jan., 1940. In the movement from 174 in Jan., 1941 decreases in value have been shown the value of shares in each of the major classes of enterprise. Comparisons are as follows:-

INDEX OF VALUE OF ORDINARY COMPANY SHARES - SYDNEY STOCK EXCHANGE.
Excluding Banks. Par Value = 100.

Average for month.	Shares in Companies engaged in -					<u>Total</u> (75 Com- panies)	34. Active Shares.
	Manufac- turing & Dis- tributing.	Retail Trade.	Public Utili- ties.	Pastoral and Finance.	Insur- ance.		
March, 1937 (a)	214	204	181	169	281	190	200
January, 1940 (b)	229	174	152	132	270	182	195
June, 1940 (c)	187	138	129	110	233	151	160
January, 1941	223	171	143	122	255	174	188
May, 1941	214	164	135	117	248	166	180
June, 1941	214	163	134	119	251	166	180

(a) Highest point. (b) Highest and (c) lowest point of war period.

REAL ESTATE. In the first six months of 1941 sales of real estate registered were £16.06 million, exceeding the total in Jan.-June 1940 by 9.7 per cent. and approaching the immediate pre-war level, though still 13.8 per cent. below the amount in Jan.-June, 1938. Sales registered in June (£3.03 m.) were above those of any recent month and highest for June of the post-depression period. Most of the transactions reported recently have been in houses, flats and factory premises and sites for these. Mortgage registrations have increased somewhat latterly but remain below those of any of the preceding five years.

Under amended Capital Issues Regulations the Commonwealth Treasurer's consent is required (from 4th July, 1941) to contracts for the sale of land within 25 miles of the G.P.O. in Sydney (or Melbourne, and 15 miles of principal post offices in other capital cities and Newcastle) if the purchase price is not payable within one year or if the vendor retains a right to repurchase the land.

REAL ESTATE TRANSACTIONS - NEW SOUTH WALES.

	Month of June.		Half-year ended June.	
	Sales.	Mortgages. ϕ	Sales.	Mortgages. ϕ
	£000	£000	£000	£000
Av. 1925-29 *	(4,619)	(4,042)	(27,714)	(24,252)
1938	2,898	2,604	18,605	13,365
1939	2,613	1,658	16,458	11,452
1940	2,464	1,305	14,636	8,908
1941	3,029	1,273	16,055	7,699

ϕ Includes normal renewal of mortgages in 1925-29; renewals were rendered unnecessary in many cases by the Moratorium Act, 1930.

* Monthly and half-yearly averages.

INTEREST RATES.- Mortgages. Three-monthly moving averages for each of the past three months have shown no change in the weighted average rates of interest on private first mortgages. These stand at 5.5 per cent. for urban and 4.9 per cent. for rural mortgages and are 0.3 and 0.6 per cent. respectively lower than at the end of 1939. The rate of interest on urban mortgages has not moved materially since December, 1940. The course of mortgage interest rates was as shown below.

AVERAGE RATES OF INTEREST ON PRIVATE FIRST MORTGAGES, N.S.W.

	Rural First Mortgages.					Urban First Mortgages.				
	1937.	1938.	1939.	1940.	1941.	1937.	1938.	1939.	1940.	1941.
	Weighted average rate of interest - per cent. per annum.									
June Qr.	4.9	5.0	5.1	5.0	4.9	5.3	5.4	5.6	5.6	5.5
Calendar Year	5.0	5.0	5.2	5.1	-	5.3	5.4	5.6	5.6	-

Government Securities. Minimum prices for bonds were established on Australian Stock Exchanges in June, 1940 when German successes in the west temporarily disturbed investors. Throughout the past year bond prices have remained above the minima and with some interruptions the general tendency has been toward lower interest yields. Weighted averages (calculated on the earliest date of maturity) for all securities of ten years and over maturity illustrating the long term trend are:-

Average for year.				1940.	1941.			
1936.	1937.	1938.	1939.	June.	Sept.	Dec.	Mar.	June.
Weighted average rate of interest (shillings per £100) p.a.								
78	77	75	78	66	64	62	60.5	60.75

Toward the end of June, 1941 yields on shorter term (5-10 yrs.) bonds reached the lowest level (below 3 per cent.) yet recorded and on longer dated (over 10 years) bonds were practically as low as ever before. Bond prices appear to have eased very slightly in the early part of this month. Recent movements were as follow:-

PART II (Continued)

COMMONWEALTH GOVERNMENT LOANS. INTEREST YIELDS (including Redemption)

Maturing in	1941.				
	Jan.29	Mar.26	May 14	June 11	June 25
	Interest yield - £.s.d. per cent. per ann. *				
5-10 years: Fully Taxed ø	3 4 2	3 2 10	3 4 2	3 1 8	2 19 7
Part " x	2 17 7	2 18 9	3 1 10	2 18 9	2 17 6
Over 10 Yrs: Part Taxed x	2 19 9	3 0 6	3 4 0	3 2 2	3 0 9

* Weighted average calculated on earliest date of maturity.

ø Interest subject to full Commonwealth but no State income taxation.

x Interest subject to Commonwealth taxation only at 1930 rates but to no State income taxation.

OVERSEA TRADE-AUSTRALIA. Space available for shipment of Australian products will be greatly reduced in 1941-42. The recent agreement between the British and Australian Governments regarding foodstuffs should enable serious dislocation to rural industries to be averted, but only restoration of the shipping position can modify the general trade outlook. Britain will take and pay for all produce that can be shipped. Australian industries will try to adapt productions to shipping possibilities and to develop alternative markets. The Governments will share costs of creating reserve stocks of storable foodstuffs and agree upon payment for the commodities so accumulated.

Merchandise exports in June, 1941 were 5 per cent. greater in value than in June, 1940. Imports decreased by 17.5 per cent. In recent months shipping difficulties and import restrictions have affected trade. (with the list operative from July 1, 1941 cuts in non-sterling imports amount to about £A15 m. on 1938-39 import values.) Comparative monthly trade figures are as follow:-

	Merchandise Exports. (£stg.m.)							Merchandise Imports. (£stg.m.)						
	Jan.	Feb.	Mar.	Apr.	May	June	Jan.-June	Jan.	Feb.	Mar.	Apr.	May	June	Jan.-June
1938-39	7.2	8.4	9.0	6.8	8.0	6.2	45.6	8.2	8.2	8.7	6.8	8.4	8.3	48.6
1939-40	11.0	11.5	10.0	11.1	11.1	9.1	64.4	11.5	13.9	9.6	12.2	10.8	10.2	68.2
1940-41	9.8	7.5	10.3	9.0	9.2	9.8	55.6	9.4	6.2	7.9	8.9	10.3	8.5	51.2

The following statement shows that in the year ended June, 1941 in commodity trade exports exceeded imports by only £stg.294,000 compared with an export surplus of £stg.3,086,000 in 1939-40. The export figures relate only to goods actually shipped. Britain pays Australia for some export commodities, e.g. wool, irrespective of shipment. Because of this the value of payments will exceed the value of recorded exports and the balance of commodity trade in 1940-41 therefore, will be rather more favourable than the table indicates.

OVERSEA TRADE - MERCHANDISE ONLY - Australia. ø

	Month of June.			Year ended June.				
	1939.	1940.	1941.x	1937.	1938.	1939.	1940.	1941.x
	Value in £sterling - million.							
	Exports	Imports	Commodity Balance	Exports	Imports	Commodity Balance	Exports	Imports
Merchandise	6.22	8.32	- 2.10	118.00	90.59	27.41	112.28	99.31
Exports	9.31	10.30	- .99	9.77	8.49	1.28	118.76	115.68
Imports	9.77	9.2	1.28	118.00	90.59	27.41	112.28	99.31
Commodity Balance	9.77	9.2	1.28	118.00	90.59	27.41	112.28	99.31

ø Particulars of bullion and specie not available for publication.

x Preliminary. Minus sign (-) denotes excess of imports.

Further import restrictions are likely to be imposed and will probably be on imported raw materials for unessential industries. Rationing of newsprint has been made more severe and this also should result in a saving in exchange. An exchange of Ministers between Australia and China has been arranged. This may contribute to the development of trade with that country.

PART III. INDUSTRIES.

BUILDING INDUSTRY.Buildings Commenced - Metropolitan Water Board.

(Includes all private buildings and all but a small proportion of Government buildings.)

Buildings commenced in June, 1941 (£1.1 m.) were above the average value in recent months, but monthly movements have been irregular. Building appears to be decreasing. House and flat building is very active but other types and building in the city show marked decrease. In Jan.-June dwelling houses numbered 3,338 in 1941 and 3,460 in 1940.

Buildings completed in this Area decreased from £13.13 m. in 1939-40 to £11.51 m. in 1940-41, mainly due to the falling off in the city and adjacent suburbs.

Buildings commenced in the Metropolitan Water Board Area in June, 1941 were to cost £1,102,000 - the highest June total of recent years, 20 per cent. more than in June, 1940, and 15 per cent. above the average in the preceding five months. Recent monthly totals show rather wide variations but in general have fallen below those of a year ago and the pre-war level:-

		<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>
1938-39	£000	846	989	788	949	1053	1074	994	1220	1055
1939-40	£000	931	1044	555	1371	887	795	1187	1309	917
1940-41	£000	1101	1087	729	926	891	1154	838	975	1102

The value for the half-year ended June was less this year than in 1938, 1939 or 1940. Totals for the six months were £6.31 m. in 1938, £6.34m. in 1939, £6.47 m. in 1940 and £5.89m. in 1941. The relatively small decrease is due solely to the very marked decline in building activity in the city of Sydney, as the appended comparisons show:-

VALUE OF BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.

	<u>CITY OF SYDNEY.</u>					<u>SUBURBS & EXTRA METROPOLITAN</u>				
	<u>Mar.</u>	<u>June</u>	<u>Sept.</u>	<u>Dec.</u>	<u>Year end-</u>	<u>Mar.</u>	<u>June</u>	<u>Sept.</u>	<u>Dec.</u>	<u>Year end-</u>
	<u>Qr.</u>	<u>Qr.</u>	<u>Qr.</u>	<u>Qr.</u>	<u>ed June.</u>	<u>Qr.</u>	<u>Qr.</u>	<u>Qr.</u>	<u>Qr.</u>	<u>ed June.</u>
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
1938	368	627	653	359	2,760	2,693	2,621	2,957	2,264	10,049
1939	553	737	237	273	2,302	2,523	2,532	2,795	2,257	10,276
1940	582	466	301	196	1,558	2,471	2,947	3,190	2,721	10,470
1941	255	168	-	-	920	2,716	2,747	-	-	11,374

Combined totals in financial years 1937-38 to 1940-41 were relatively constant - £12.81m., £12.58 m., £12.03m., and £12.29 m. successively.

Particulars of value according to class of building commenced in June of this and two preceding years are as follow:-

		<u>Dwelling</u>	<u>Flats</u>	<u>Business</u>	<u>Miscella-</u>	<u>Total</u>
		<u>Houses.</u>		<u>Premises</u>	<u>neous.</u>	
June, 1939	£000	528	171	254	102	1,055
1940	£000	470	210	184	53	917
1941	£000	564	320	128	90	1,102

The dissection indicates a continuance of recent features - the maintenance of a high level of house and flat building and diminishing activity in other groups. A group of military buildings for £50,000 was included in the "miscellaneous" buildings in June, 1941. In the June Qr., 1941 the amounts committed for houses and flats were each the highest yet recorded for the quarter and 8.3 and 23.2 per cent., respectively, /greater.....

PART. III. (Continued.)

greater than in June Qr., 1940, but decreases for business premises and miscellaneous buildings were very marked, showing the influence of restrictions imposed under the Building Control Regulations. Details for June Qr. and the half-year ended June compare as follow:-

VALUE OF BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.
(Includes all private and most Government buildings.)

Type of Building	June Quarter.				Half-year ended June.				
	1938	1939	1940	1941	1937	1938	1939	1940	1941
	Value in Thousands				of Pounds.				
Dwelling Houses	1550	1423	1452	1573	1795	2853	2905	2905	3083
Flats	697	476	634	781	840	1379	891	1136	1488
Business Premises [∅]	769	1048	720	328	1556	1729	1860	1657 [⌘]	832
Miscellaneous [⌘]	232	322	607 [≠]	233	494	348	599	768 [≠]	483
TOTAL	3248	3269	3413	2915	4589	6309	6345	6466	5886

[∅] Shops, factories, offices, warehouses, etc. [⌘] Theatres, hospitals, churches, schools, etc. [⌘] Includes G.P.O. extension, £411,000. [≠] Includes hospitals (2), £262,000.

DWELLING HOUSES. In June there were 613 dwelling houses (not flats) commenced this year compared with 568 in 1940, 683 in 1939 and 657 in 1938. Houses were greater in value but less in number. This reflects an increase in building costs and also (on evidence of building permits in metropolis) a decrease in number of lower-priced houses. A greater number of houses in the £2000-£3000 class appear to have been undertaken in recent months. Low-priced houses received a fillip for a time last year when the scheme to assist persons in the lower-income groups to obtain houses was operating actively, but building under this scheme has not been considerable in recent months. The ability of co-operative building societies to finance further house-building is now relatively circumscribed.

The following statement shows that the number of dwelling houses commenced decreased only moderately in the first half of this year in comparison with Jan.-June of any of the preceding three years. This covers only one major constituent in new housing and building permits indicate that increased activity in flat building has gone far in offsetting the decrease in individual houses.

DWELLING HOUSES COMMENCED - METROPOLITAN WATER BOARD AREA.

	June.	Mar. Qr.	June Qr.	Sept. Qr.	Dec. Qr.	Jan.-June	Year ended June.
	Number of Dwelling Houses (not including Flat Dwellings.)						
1937	369	1152	1212	1618	1592	2364	5227
1938	657	1627	1857	2120	1853	3484	6694
1939	683	1859	1785	2034	1663	3644	7616
1940	568	1740	1720	2036	1665	3460	7157
1941	613	1587	1751	-	-	3338	7039

BUILDINGS COMPLETED - METROPOLITAN WATER BOARD AREA.

Returns furnished by the Water Board show that in its Area buildings of a value of £11.51 m. were completed in the year ended June, 1941. This was £1.62 m. less than in 1939-40 and £1.08m. less than in 1938-39 but greater than in any other financial year since 1928-29. The decrease was mainly the result of reduced activity in the city and adjacent suburbs; in the northern and eastern suburbs the value of buildings completed was the greatest of any year of the post-depression period.

/Details.....

PART III (Continued.)

Details are as under:-

VALUE OF BUILDINGS COMPLETED - METROPOLITAN WATER BOARD AREA.

	1937-38	1938-39	1939-40	1940-41
	£000	£000	£000	£000
City & Inner Industrial Suburbs	3,186	3,597	3,529	2,375
Western & Southern Suburbs	2,692	3,385	3,362	3,119
Northern Suburbs	1,961	2,472	2,773	2,818
Eastern Suburbs	1,772	1,754	1,786	1,914
Extra-Metropolitan Areas	1,037	1,384	1,681	1,287
Total	10,648	12,592	13,131	11,513

RAILWAYS. Because of unprecedented industrial activity, the curtailment of coastal shipping services, the effect of petrol rationing on road transport and travelling by military etc. personnel, the State railways are carrying more freight and passengers than ever before. Goods ton mileage in the eleven months ended May, 1941 was 21 per cent. greater than in the corresponding period of 1938-39. As a result gross revenue increased 22 per cent. and working expenses about 15 per cent. and the surplus (before meeting interest, etc. charges) was £1.9 million greater than in July-May, 1938-39.

The Commonwealth has set up a Department of Transport and a director of land transport has been appointed to ensure that the most effective use is made of rail and road transport facilities.

Particulars of State Railway operations are compared below:-

NEW SOUTH WALES GOVERNMENT RAILWAYS.

	Month of May.			Eleven Months ended May.		
	Passenger Journeys.	Goods Ton Mileage.	Working Surplus ^φ	Passenger Journeys.	Goods Ton Mileage.	Working Surplus ^φ
	million	million	£000	million	million	£000
1937	16.2	158	531	163.1	1660	5599
1938	16.8	173	525	173.6	1781	5963
1939	15.6	176	622	171.9	1684	4832
1940*	14.3	100	141	163.6	1733	5329
1941	16.7	174	237	176.0	2039	6729

^φ Excess of earnings over working expenses exclusive of interest, etc. charges, amounting in 1939-40 to £6,561,000. * Affected by coal strike, Mar.-May, 1940.

ROAD TRANSPORT SERVICES. Travelling by trams and omnibuses has increased as employment has expanded and in recent months petrol rationing has caused many persons formerly using private motor vehicles to travel by public transport services. The Department of Road Transport has already restricted bus travel in areas served by trams, and increased tram services to handle the additional traffic.

In May, 1941 the number of tram and bus passengers was 11 per cent. greater than in May, 1939. Passengers carried in the eleven months ended May numbered 373 million compared with 344 million in 1938-39. Earnings have increased more rapidly than have working expenses and in July-May the working surplus (£841,000 in 1940-41) was 32½ per cent. greater this year than in 1938-39. Comparisons are:-

/STATE.....

PART III. (Continued.)

STATE TRAMWAY AND OMNIBUS SERVICES - SYDNEY AND NEWCASTLE.

	Month of May.				Eleven months ended May.			
	Earn-ings.	Working Expenses	Working Surplus ^ø	Passen-gers.	Earn-ings.	Working Expenses	Working Surplus ^ø	Passen-gers.
	£000	£000	£000	mill.	£000	£000	£000	mill.
1938	361.6	316.9	44.7	31.5	3953	3228	726	341
1939	380.0	314.3	65.7	32.6	4022	3388	634	344
1940	370.3	300.8	69.5	31.5	4110	3434	676	348
1941	422.1	346.0	76.1	36.2	4391	3550	841	373

^ø Excess of earnings over working expenses, exclusive of interest, sinking fund, depreciation and exchange amounting in 1939-40 to £671,000.